Exhibit 2

Preliminary Analysis of High-Rank Investment Criteria from California Legacy Project regional workshops[1]

July 9, 2003

TERRESTRIAL BIODIVERSITY

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[2]
Most common			
Large intact natural areas	7	0	➢ Bay Area - sufficient area for natural processes (including evolution of species) and species diversity (maximize unfragmented areas) ➢ Central Coast - habitat for complete lifecycle (breeding, cover, migration, etc.) ➢ North Coast/Klamath - large intact landscapes; habitat for wide ranging species; roadless; headwaters; ➢ Sac Valley - l*arge natural areas* ➢ Sierra - intact ecosystem: large size; lack of fragmentation; roadlessness; keystone species ➢ South Coast (L.A.)- intact ecosystems - low fragmentation, low disturbance, keystone species, persistence of large carnivores; c*ore creas, large natural areas* ➢ South Coast (San Diego) - *large unfragmented, intact natural areas that can*

[1] Please see individual workshop reports for more explanation of these criteria and the process used to develop them. These criteria are not the result of a consensus process. Medium and low rank criteria can be found in the individual workshop reports. Criteria were not developed at the Desert workshop

[2] Italicized criteria are those with significantly lower levels of agreement than others.

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[2]
			support top predators
Maintain ecological dynamics and functions	6	1	➢ Bay Area - sufficient area for natural processes (including evolution of species) ➢ North Coast/Klamath - potential for restoration or protection of natural ecological processes ➢ Sac Valley - r*estorability to functioning habitat* ➢ Sierra - recognize ecological dynamics; unimpaired ecological function ➢ SJ Valley - h*igh biological and ecological function (eg: critical breeding sites for target species)* ➢ South Coast (L.A.)- natural disturbance regimes, ecosystem processes
Habitat linkages	6	1	➢ Bay Area - connectivity: landscape linkages; key migratory species (manuals, birds, insects); trail linkages between parks ➢ North Coast/Klamath - habitat linkages connecting protected areas ➢ Sac Valley - w*ildlife corridors, including: riparian; greenway expansions* ➢ SJ Valley - p*riority corridors/ linkages between protected areas; connected areas with low fragmentation* ➢ South Coast (L.A.)- h*abitat linkages - dispersal, movement, migratory, wildlife overpasses/underpasses* ➢ South Coast (San Diego) - c*onnectivity (wildlife corridors, landscape linkages)*
Most Unique			
Unique or sensitive habitats	2	2	➢ North Coast/Klamath - Unique & sensitive habitats (oak woodlands, prairies, hardwood forest, old growth forest, uncommon vegetation types ➢ Sac Valley - r*are habitat stands: native grasses; old growth fouests; wetlands; riparian areas*
Opportunity, feasibility, and/or supportive local community	1	4	➢ SJ Valley - o*pportunity & likelihood of success, including: ecological feasibility; willing landowner/ participant/ seller; community support; unique opportunity for taking action*

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[2]
Risk of habitat conversion, degradation, or fragmentation	1	4	➢ SJ Valley - h*igh level of threat: potential for urban development; potential for natural land conversion to agriculture*
Lands that contribute to multiple objectives	1	2	➢ Sac Valley - lands with multiple open space objectives: farmlands (hedgerows); rural recreation; environmental justice; groundwater recharge; forests as water supply areas

AQUATIC BIODIVERSITY

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[3]
Most common			
Risks or Impairment to Water Quality, Quantity, and Flow Regimes	7	1	➢ Bay Area - *urgency/opportunities* ➢ Central Coast - Imminent Threats and Risks ➢ Sac Valley - degree of threat to resource ➢ Sierra o degree of threat and risk: road density and types; stream crossings; pesticide drift and de-icing; number and location of active and inactive

[3] Italicized criteria are those with significantly lower levels of agreement than others.

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[3]
			mines including suction dredging, hardrock, sand and gravel – instream & off-stream o *Water flow/ quantity: numbers and location of spillways, diversions, other hydromodification; location of spring-fed streams; changes in groundwater-surface-water interactions* o *Water quality: total suspended solids, pH, dissolved solids, metals synthetics; effects of urban runoff; number of effluent dominant streams* ➢ SJ Valley - q*uality & quantity of water resource* ➢ South Coast (L.A.)- hydrologic processes and floodplain functions (e.g. maintenance & restoration of critical flows and unique natural flow regimes and hydrologic flow regimes (permanent, intermittent, ephemeral sediment transport) ➢ South Coast (San Diego) – o *Water Quality: sediment, downstream effects, impairment, watershed protection, wetlands as purifiers, drinking water.* o *hydrology: groundwater, recharge, holistic, watershed approach, sediment, barriers, flow, floodplain connectivity, perviousness, flood management vs. flood control, dechannelization, sustainable, geomorphology*
Habitat Linkages	7	0	➢ Bay Area - potential or presence of biodiversity connectivity, of uplands & riparian zone & tidal wetland ➢ Central Coast - habitat Corridors/Connectivity ➢ Sac Valley- h*abitat connectivity and size* ➢ Sierra - wildlife corridors and linkages ➢ SJ Valley - maintenance of linkages & migratory corridors ➢ South Coast (L.A.)- landscape (local, regional, global) connectivity in watersheds from ridge to ocean (habitat linkages, drainage connectivity) ➢ South Coast (San Diego) - upland connectivity, *floodplain connectivity*
High quality	6	1	➢ Bay Area - existing high quality habitat

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[3]
riparian habitat			➢ Central Coast- high-quality riparian habitat ➢ North Coast/Klamath - d*egree of riparian habitat continuity and integrity* ➢ Sierra o degree of threat and risk: stream crossings; presence and distribution of invasive species; number and location of active and inactive mines including suction dredging, hardrock, sand and gravel – instream & off-stream o *contiguity of riparian corridor: riparian vegetation type, structure, age, and successional stage* ➢ South Coast (L.A.)- *maintain & preserve intact aquatic and riparian habitat and communities* ➢ South Coast (San Diego)- habitat: contiquity, diversity, upland connectivity, invasives
Most Unique			
Lands that provide multiple benefits	1	5	➢ Sac Valley - m*ultiple benefits in watershed providing increased water resource potential, e.g. water storage, quality, recreation, habitat, flood protection, etc*
Unique opportunities	1	3	➢ Bay Area - *urgency/opportunities*
Water recharge value	1	1	➢ South Coast (San Diego) - h*ydrology: groundwater, recharge*

URBAN OPEN SPACE[4]

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[5]
Most common			
Habitat Linkages and Riverways	6	1	➢ Bay Area- habitat benefits (including corridor connections); s*ystems approach (creates or builds systems and connectivity for trails, streams, greenways, and habitat corridors)* ➢ Central Coast - l*inkages between open space for human use, habitat, recreation; stream or river corridors* ➢ Sac Valley - i*ncreasing contiguous parcels of protected lands* ➢ SJ Valley - open space along rivers ➢ South Coast (L.A.)– Urban Fringe - w*ildlife corridors and habitat linkages* ➢ South Coast (San Diego) - open space that provides viable habitat and/or connectivity for plants and wildlife
Natural ecological processes	4	2	➢ Bay Area - watershed level processes; supports various stages of life cycle,(e.g. nesting, foraging) ➢ Sac Valley - n*atural processes compatible with urban areas* ➢ SJ Valley - supports ecological functions ➢ South Coast (L.A.)- Core Areas - can meet multiple objectives for ecosystem functions

[4] Urban Open Space was not discussed at Sierra or North Coast/Klamath workshops. South Coast (L.A.) provided two perspectives (Urban Fringe and Core Areas)

[5] Italicized criteria are those with significantly lower levels of agreement than others.

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[5]
Natural Habitat	4	1	➢ Bay Area - habitat benefits (including native species supported; multiple ecotones) ➢ Sac Valley- p*rotection of biodiversity* ➢ South Coast (L.A.)- Urban Fringe - presence of habitat, natural resources, endangered species, and contributes to ecosystem diversity ➢ South Coast (San Diego) - open space that provides viable habitat and/or connectivity for plants and wildlife.
Most Unique			
Buffers	1	1	➢ Sac Valley - i*ncreasing contiguous parcels of protected lands*
Ranching and agricultural values	1	1	➢ Sac Valley - p*rotection of ag ranching and local entrepreneurial economies*
Enhance urban quality of life and sense of community	1	1	➢ Sac Valley - e*nhance quality of life within urban areas*
Sensitive Species	1	0	➢ South Coast (L.A.)– Urban Fringe - presence of habitat, natural resources, endangered species, and contributes to ecosystem diversity
Provides flood protection	1	0	➢ South Coast (L.A.)- Core Areas - can meet multiple objectives (e.g. flood protection, recharge, recreation, Total Daily Maximum Load's) for ecosystem functions
Meets anticipated future need in growth areas	1	0	➢ Central Coast - anticipate future need in growth areas

RURAL RECREATION

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[6]
Most common			
Wildlife habitat	6	0	➢ Bay Area - *enhances or preserves regional biological diversity* ➢ North Coast/Klamath - protects ecosystem and watershed viability and significant biodiversity (e.g. old growth redwoods) ➢ Sierra - high natural and aesthetic values: wildlife; meets or can be developed to address other conservation objectives, including habitat ➢ SJ Valley - h*elps meet other resource objectives* ➢ South Coast (L.A.)- Achieves multiple benefits in addition to recreation; *Intact ecosystems where uses do not impact endangered species* ➢ South Coast (San Diego) - compatibility of the use with habitat sensitivity
Compatible multiple uses possible on site	5	1	➢ Sac Valley - can be made compatible with existing activity (e.g. sportsmen, hiking, biking, bird watching, etc.) ➢ Sierra - compatible uses on the land ➢ SJ Valley - p*rovides broad-spectrum of exceptional recreation opportunities* ➢ South Coast (L.A.)- achieves multiple benefits in addition to recreation; *Intact ecosystems where uses do not impact endangered species* ➢ South Coast (San Diego) - compatibility of the use with habitat sensitivity
Compatible with adjacent land use; supportive neighbors	4	3	➢ Central Coast - suitability for recreational activity ➢ Sac Valley - supports and is compatible with rural lifestyle of working lands ➢ Sierra - compatible uses with surrounding uses ➢ SJ Valley - recreational uses are appropriate to physical characteristics of landscape*; compatible with existing and surrounding land uses*

[6] Italicized criteria are those with significantly lower levels of agreement than others.

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[6]
Most Unique			
Scenic values	1	3	➢ Sierra - scenic beauty
Water availability	1	3	➢ Sierra - high natural values: water
Wildness or low-density uses	1	3	➢ Sierra - wildness
Unique or varied terrain	1	1	➢ Sierra - unique or varied terrain
Improve recreation on public lands	1	1	➢ North Coast/Klamath - i*nvest in management and enhancement of existing public lands and facilities*

FARMLANDS AND GRAZING LANDS[7]

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[8]
Most common			
Risk of conversion or degradation of existing land use	6	2	➢ Bay Area - *level of development pressure* ➢ Central Coast - r*isk of conversion (urban & environmental)* ➢ Sac Valley – Farmlands - a*reas threatened by urban development and/ or have ability to buffer urban/ ag or direct urban growth* ➢ Sac Valley – Grazing - a*reas under imminent threat from development* ➢ Sierra - High threat to resource: e.g. conversion ➢ SJ Valley - c*onserve areas under greatest threat of conversion* ➢ South Coast (L.A.)- High risk of conversion to urban use, and areas that promote infill and redevelopment
Provides or has adequate water supply and good soil	6	1	➢ North Coast/Klamath - prime ag land with good soil, flat land, available water ➢ Sac Valley – Farmlands - a*reas that have prime soils (class 1, 2, or 3) and available and reliable water* ➢ Sierra - economic viability: water supply that is affordable for given use ➢ SJ Valley - productive agricultural lands with sufficient water ➢ South Coast (L.A.)- e*conomic viability: soils, water, multiple crops* ➢ South Coast (San Diego) - a*bility to protect water supply (e.g. recharge)*
Contributes to watershed protection	6	0	➢ Bay Area - ability to protect or enhance other valuable resources, including water quality and watersheds ➢ North Coast/Klamath - presence of other natural resources, including watershed with anadromous fish ➢ Sac Valley – Farmlands - *areas that can provide multiple objectives, including flood plain andwatershed management* ➢ South Coast (L.A.)- *protects watershed health and processes (floodplain*

[7] Sac Valley had individual sessions for Farmlands and Grazing. Note: There was limited participation by farmers and ranchers at large workshops

[8] Italicized criteria are those with significantly lower levels of agreement than others.

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[8]
			management and water quality) ➢ South Coast (San Diego) - *ability to protect watershed processes* Sierra - addresses multiple public values including watershed values
Provides wildlife habitat	5	2	➢ Bay Area - ability to protect or enhance other valuable resources including biodiversity ➢ North Coast/Klamath - presence of other natural resources in addition to ag land (e.g. proximity to other natural resource or riparian corridors, watershed with anadromous fish, vernal pools) ➢ Sac Valley – Farmlands - areas that support terrestrial and aquatic biodiversity, while maintaining sustainable agricultural use (including riparian zones & wildlife migration corridors) ➢ Sierra - Addresses multiple public values including species diversity ➢ South Coast (L.A.)-h*as ecological & habitat values or provides corridors*
Economically viable operations	5	2	➢ Bay Area - *agricultural viability: water, size/fragmentation, local infrastructure* ➢ Central Coast - sustainable agricultural economic viability ➢ Sac Valley – Grazing - a*reas that are operationally viable: winter/summer graze; adequate "critical mass" for size; sustainable footprint; minimal indirect urban impacts - public liability (trespass, dog presence)* ➢ SJ Valley - productive agricultural lands with sufficient water; s*upports agricultural economic viability* ➢ South Coast (L.A.)- *Economic viability: soils, water, multiple crops*
Adequate stewardship already	4	1	➢ Bay Area - *sustainable conservation efforts; local leadership, conservation capacity, landowner trust* ➢ Sac Valley – Farmlands - *areas that can provide sustainable and profitable farms with agricultural infrastructure* ➢ Sierra - conservation opportunity: high degree of existing stewardship ➢ SJ Valley - *focus on lands with minimal environmental impact or where environmental impact can be reduced*

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[8]
Promotes sustainable agriculture and forestry	4	1	➢ Bay Area - *sustainable conservation efforts* ➢ Central Coast - sustainable agricultural economic viability ➢ Sac Valley – Farmlands - areas that support terrestrial and aquatic biodiversity, while maintaining sustainable ag use (including riparian zones & wildlife migration corridors); *areas that can provide sustainable and profitable farms with agricultural infrastructure* ➢ Sac Valley – Grazing - *sustainable footprint* ➢ Sierra - water supply that is affordable for given use; soils can sustain crop
Most Unique			
Economic value of products on land	1	1	➢ SJ Valley - productive agricultural lands with sufficient water; *High value grazing land*
Provides recreational opportunities	1	1	➢ Sac Valley – Farmlands - *areas that can provide multiple objectives including recreation*
Supportive Local community	1	1	➢ Bay Area - *sustainable conservation efforts; local leadership, conservation capacity*
Provides public access	1	0	➢ Sierra - addresses multiple public values, including public access
Provides buffer between habitat and agriculture	1	0	➢ Sac Valley – Farmlands - *areas threatened by urban development and/ or have ability to buffer urban/ ag or direct urban growth*
Oak woodlands	1	0	➢ Sac Valley – Grazing - *areas that address other resource objectives including co-existence with other native vegetation (oak woodlands)*

FOREST LAND[9]

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[10]
Most common			
Provides wildlife habitat	3	0	➢ Bay Area - habitat, not fragmented stands, high biodiversity, age classes ➢ North Coast/Klamath - additional benefits, such as intact ecosystems, underrepresented natural community; biodiversity, endangered species habitat, clean water function, etc. ➢ Sierra - biologically important lands: old growth; sensitive species; species diversity; structurally complex habitat
Provides habitat linkages	3	0	➢ Bay Area - habitat linkages ➢ North Coast/Klamath - habitat islands and corridors within working landscapes ➢ Sierra - riparian & wildlife corridors
Protects sensitive species or habitats	3	0	➢ Bay Area - old growth forests ➢ North Coast/Klamath - underrepresented natural community; endangered species habitat ➢ Sierra - old growth
Contributes to improved water quality	2	0	➢ Bay Area - water quality ➢ North Coast/Klamath - Additional benefits, including clean water function
Risk of conversion or degradation of existing land use	1	2	➢ North Coast/Klamath - h*igh risk of urban encroachment*

[9] Forest lands were only addressed at Sierra, Bay Area, and North Coast/Klamath workshops. Note: There was limited participation by farmers and ranchers at large workshops

[10] Italicized criteria are those with significantly lower levels of agreement than others.

CRITERIA GROUPINGS	HIGH (# REGIONS)	MEDIUM (ADDITIONAL # REGIONS)	CRITERIA FROM INDIVIDUAL WORKSHOPS[10]
Contributes to watershed protection	1	2	➢ Bay Area - watershed function: e.g. large woody debris, soil stability/erosion hazard
Provides contiguous forest or farmlands - critical mass (not fragmented	1	1	➢ North Coast/Klamath - l*arge scale parcels (160+ acres); manageable; good topography, stable soils, unfragmented; not isolated by public lands*
Maintains historical or cultural values	1	1	➢ North Coast/Klamath - Preservation of cultural sites; grandfather trees
Most Unique			
Economically viable operations	1	0	➢ North Coast/Klamath - *economic viability: proximity to infrastructure (mill, roads); low operations and maintenance costs;*
Economic value of products on land	1	0	➢ North Coast/Klamath - *high site timber*
Large or viable size	1	0	➢ North Coast/Klamath -*large scale parcels (160+ acres)*
Provides buffer to urban areas	1	0	➢ North Coast/Klamath - *strategic location in landscape; buffers other areas*
Complementary adjacent land uses	1	0	➢ North Coast/Klamath - m*anageable; not isolated by public lands*
Provides alternative specialty products	1	0	➢ North Coast/Klamath - *secondary products (mushrooms etc)*